Agriculture and Rural Development

BUSINESS PLAN 2013-16

ACCOUNTABILITY STATEMENT

This business plan was prepared under my direction, taking into consideration the government's policy decisions as of February 13, 2013.

original signed by

Verlyn Olson, QC, Minister
February 20, 2013

THE MINISTRY

The ministry consists of the Department of Agriculture and Rural Development, the Agriculture Financial Services Corporation (AFSC) and the Alberta Livestock and Meat Agency Ltd. (ALMA). The ministry is also responsible for the Office of the Farmers' Advocate, the Irrigation Council, the Agricultural Products Marketing Council and the Alberta Grains Council, for which funding is included in the department's budget.

Agriculture and Rural Development's mission is to provide the framework and services necessary for Alberta's agriculture and food sector to excel, to inspire public confidence in the quality and safety of food and to lead the collaboration that enables resilient rural communities. Its core businesses are:

- a market-driven, environmentally responsible industry;
- food safety, plant health, and animal health and welfare; and
- rural development.

Programs and services delivered by the ministry will be reviewed for relevance, effectiveness and efficiency in accordance with the Government of Alberta's *Results-based Budgeting Act*.

A more detailed description of Agriculture and Rural Development and its programs and initiatives can be found at www.agriculture.alberta.ca.

This business plan is aligned with the government's goals as set out in the *Government of Alberta Strategic Plan*.

GOALS, PRIORITY INITIATIVES AND PERFORMANCE MEASURES

As a result of the ministry's review of its goals, environment, opportunities and challenges, a number of priority initiatives have been identified. Focused agenda items, the six specific areas where government will focus its attention over the next three years, are identified with a ✱. Additional government commitments to Albertans are identified with a ✓.

Goal One: A competitive self-reliant industry

This goal recognizes the importance of policy, advocacy, programs and services that reinforce and promote the economic competitiveness and long-term prosperity of Alberta's agriculture industry. The ministry delivers targeted extension programs and services, research-based information, and innovative business tools to encourage industry adoption of best practices. Through activities such as product development and commercialization, the ministry advances export opportunities in key markets around the world. The ministry develops and administers enabling legislation and regulations aimed at creating a stable and secure business environment. The ministry also works with the federal government and other provinces to develop and implement the national Growing Forward 2 framework. The ministry collaborates with partners and stakeholders, including AFSC and ALMA, to implement key actions that contribute to Alberta's economic prosperity.

Priority Initiatives:

✱1.1 Work with industry to develop and expand access to key markets in the Asia-Pacific, Mexico, Europe, India and the Middle East.

1.2 Engage the Next Generation Advisory Council on their proposed recommendations to best support and enhance the next generation of agricultural, food and rural entrepreneurs.

Performance Measures	Last Actual 2011-12	Target 2013-14	Target 2014-15	Target 2015-16
1.a Number of value-added products developed and successfully introduced into market with assistance from Agriculture and Rural Development	157[1]	140	145	150
1.b Research and development investment by collaborators leveraged through ministry resources ($ million)	6.2	6.4	6.7	7.0
1.c Percentage of eligible seeded acres for major crop categories insured under Production Insurance:				
• Annual Crops	73%	77%	78%	78%
• Perennial Crops	23%	27%	27%	28%

Note:

1 The 2011-12 result was unusually high; therefore, targets have been set below the last actual.

Goal Two: Environmental stewardship

This goal is directed at exploring and implementing environmentally responsive solutions that enable the agricultural sector to increase water use efficiency, minimize its environmental footprint and promote competitiveness. The ministry collaborates with all levels of government to develop integrated environmental policy and facilitates the adoption of beneficial management practices that protect or enhance the environment and define and meet climate change, land use, air and water objectives.

Priority Initiatives:

✱2.1 Develop innovative policies and business models that facilitate the adoption of integrated environmental management practices.

✱2.2 Working with other ministries, contribute to the completion of regional plans for the remaining regions under the *Land-use Framework*.

✓2.3 Together with Energy and Environment and Sustainable Resource Development, design and implement initiatives to make Alberta the national leader in energy efficiency and sustainability.

2.4 In collaboration with Environment and Sustainable Resource Development, assess the potential of developing new water storage reservoirs within the South Saskatchewan River Basin to reduce the impacts of drought and climate change.

Performance Measure	Last Actual 2011-12	Target 2013-14	Target 2014-15	Target 2015-16
2.a Average percentage of improved environmentally sustainable agriculture practices adopted by producers (biennial survey)	55%	56%	n/a	57%

Goal Three: Farmed animal health and welfare, plant health and safe food products

The ministry facilitates adoption of innovative practices throughout the food production and processing system, so that the food industry can assure the quality and safety of Alberta products, thereby improving market access and protecting public health. The ministry ensures that policies, standards, legislation and regulations align to support farmed animal health and welfare, plant health and safe food production. The ministry's interest in continuous improvement in farmed animal health and welfare and food safety are addressed by participating in, and contributing to, national and provincial strategies and initiatives.

Priority Initiatives:

3.1 Develop the infrastructure and preparedness that enable government and industry to prevent, detect, respond to and recover from events that can impact the health of crops and the health and welfare of farmed animals.

3.2 Monitor and report on the effectiveness of the traceability systems for selected livestock species and crops.

3.3 Conduct food safety surveillance to identify potential hazards along the food chain.

Performance Measures	Last Actual 2011-12	Target 2013-14	Target 2014-15	Target 2015-16
3.a Percentage of Alberta-licensed meat processing facilities that have added a preventative system to their existing food safety system	88%	89%	89%	90%
3.b Number of Alberta food processing facilities participating in the Alberta HACCP[1] Advantage Program	34	36	40	43

Note:

1 HACCP, or Hazard Analysis Critical Control Point, is a system that identifies, evaluates and controls hazards that are significant for food safety.

Goal Four: A vibrant, resilient and sustainable rural Alberta

Building a resilient and sustainable rural Alberta requires policies, programs and services that advance community capacity, infrastructure, economic opportunities, innovation and rural stewardship in collaboration with other ministries and various rural and agricultural organizations. The ministry also continues to build rural Alberta's leadership base by working with youth and rural stakeholders and partnering with educational institutions to facilitate innovative learning and skill development opportunities.

Priority Initiatives:

✓ 4.1 Work with Service Alberta to enhance high-speed internet access to rural Alberta.

4.2 Advance programs, services and key lending products to support rural business, infrastructure needs and economic prosperity in rural Alberta.

4.3 Together with Transportation, Municipal Affairs, and Environment and Sustainable Resource Development, develop a program that supports development of secure water supplies for rural residents.

Performance Measures	Last Actual 2011-12	Target 2013-14	Target 2014-15	Target 2015-16
4.a Total investment leveraged in rural businesses facilitated through AFSC lending services ($million)[1]	658	647	676	706
4.b Percentage of ministry-supported, agricultural-related community activities that focus on leadership development	29%	30%	30%	31%
4.c Percentage of rural youth and adults participating in ministry-supported programs that report effective learning from those programs	95%	95%	95%	96%

Note:

1 The target for 2013-14 is lower than the last actual result due to specific projects in 2011-12 that are not expected to be repeated.

OPERATIONAL PLAN

(thousands of dollars)	Comparable					
	2011-12 Actual	2012-13 Budget	2012-13 Forecast	**2013-14 Estimate**	2014-15 Target	2015-16 Target
Operational Expense						
Ministry Support Services	14,198	16,752	17,408	**17,063**	17,591	17,367
Agriculture Policy and Economics	10,762	11,039	11,493	**12,954**	13,852	13,602
Agriculture Environment and Water	29,987	29,958	30,679	**30,799**	35,762	33,456
Rural and Regulatory Services	16,379	15,639	15,842	**16,176**	16,383	16,591
Industry Development	111,031	95,592	97,345	**113,292**	118,745	116,661
Food Safety and Animal Health	35,213	35,376	34,984	**36,439**	41,260	39,225
Farm Fuel Distribution Allowance	31,472	28,500	32,500	**-**	-	-
Lending	32,522	39,782	38,067	**37,984**	39,848	41,836
Agriculture Income Support	123,274	226,288	119,521	**139,709**	141,187	143,208
Insurance	414,072	429,831	713,981	**429,101**	429,831	510,362
Livestock and Meat Strategy	32,750	34,088	32,948	**29,352**	31,341	31,073
Sub-total	851,660	962,845	1,144,768	**862,869**	885,800	963,381
Debt Servicing						
Agriculture Financial Services Corporation	57,722	75,462	66,379	**75,072**	84,579	99,388
Total	909,382	1,038,307	1,211,147	**937,941**	970,379	1,062,769

CAPITAL PLAN

Capital Spending						
Ministry Support Services	554	1,000	1,245	**100**	100	100
Agriculture Policy and Economics	252	-	740	**-**	-	-
Agriculture Environment and Water	29,590	24,200	19,600	**19,200**	21,200	21,200
Rural and Regulatory Services	3,445	3,900	8,900	**3,900**	3,900	3,900
Industry Development	31,704	6,616	7,820	**616**	616	616
Food Safety and Animal Health	1,392	380	820	**380**	380	380
Lending	986	2,668	2,183	**2,581**	2,458	2,387
Agriculture Income Support	1,044	2,392	1,941	**2,314**	2,204	2,140
Insurance	3,516	3,677	3,158	**3,555**	3,388	3,288
Livestock and Meat Strategy	5,500	5,000	5,600	**1,000**	5,000	5,000
Total	77,983	49,833	52,007	**33,646**	39,246	39,011